

March 8, 2017

United States House of Representatives
Washington, D.C. 20515

RE: 2017 Budget Reconciliation Legislative Recommendations

Dear Representative:

I am writing to express HR Policy Association's strong support for the provisions in the 2017 House Reconciliation Legislative Recommendations concerning employer-sponsored insurance. The House bill recognizes the importance preserving the system of employer-provided health care benefits that 177 million Americans rely on. We are pleased the House delayed the Affordable Care Act's (ACA) onerous 40% tax on employee health benefits and did not cap the tax exclusion for those benefits. We look forward to working with Congress to fully repeal the ACA's Cadillac Tax.

The HR Policy Association is the lead organization representing chief human resource officers of over 385 of the largest corporations doing business in the United States. The member companies, all of whom are large employers, provide health care coverage to over 21 million employees and dependents, and collectively spend more than \$76 billion annually on health care in the U.S. About 31 percent of the Association's member companies will have one or more health care plans that will be subject to the tax in 2020.

As you proceed with health care reform, please consider these two important policy pillars:

- The Employee Retirement Income Security Act (ERISA) and its role in enabling employers to offer uniform health care benefits to employees no matter where they live, work or receive medical care is crucial. Strengthening ERISA preemption is needed to protect continued access to coverage for millions of American families.
- Enabling flexibility and innovations in employer-sponsored coverage to reduce health care spending. Employers are adopting new strategies that are improving the delivery of health care, driving value-based payment reforms, helping employees maintain their health, and empowering employees and their families with more tools to help them avoid and manage chronic illnesses. In this regard, we are pleased the House bill expands the ability to use Health Savings Accounts.

The HR Policy Association strongly encourages the House to pass the employer-sponsored insurance provisions of the 2017 Budget Reconciliation Legislative Recommendations and looks forward to working with you on health care reform in the future.

Sincerely,



Daniel V. Yager
President and Chief Executive Officer